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USDOC FOR 532/OEA/MNICKSON-DORSEY /GCARDAK  
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR WILLIAM ZARIT  
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS  
SINGAPORE FOR FCS

SIPDIS

E.O. 12958: N/A  
TAGS: [BMGT](#) [BEXP](#) [ETRD](#) [ETTC](#) [HK](#)  
SUBJECT: EXTRANECK: POST SHIPMENT VERIFICATION:  
ACE PRESSUREWELD INTL

REF: A) USDOC 01398 B) USDOC 01399 C) USDOC 01340

1.Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

2. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Regional Export Control Officer Philip Ankel (ECO) conducted three post shipment-verifications (PSVs) at Ace Pressureweld Intl., 31 Senoko Loop, Singapore (ACE). The items in question are as follows: one three inch CP 5000 valve, 50 Leybold Dip 3000, 30 Diff-Therm Platen Htr., 30 Diff-Therm Platen Htr, 20 studs, 25 shafts, 720 O rings, 20 diodes, 100 latches and 60 modules. The items were sent in three shipments on October 25, 2007, August 15, 2007 and September 6, 2007. The items are most likely not listed on the Commerce Control List (CCL) and are therefore likely classified as EAR99 meaning that they may be exported/reexported to virtually all destinations, end-users/uses except sanctioned countries and proliferation or prohibited end-uses/users. The exporters were Dalton Electric Heating of Ipswich, Massachusetts, World Bridge Corporation of Gardena, California and Maxon Corporation of Muncie, Indiana.

3. According to the Singapore companies registry, ACE was registered in 1973 and its registered share capital is the Singapore dollar equivalent of approximately USD 1.7 million. Its directors are listed as Singapore citizens, Rocque Kaw Jit Khim (with Singapore ID S0234983C), Kwan Kai Phang Willy (with Singapore ID S0428041E) and Ong Moi Moi (with Singapore ID S1553451F). Messrs Rocque Kaw Jit Khim and Kwan Kai Phang Willy are also the company's sole shareholders.

4. A review of the company's promotional materials on EC21 (a global B2B marketplace web site) reveals that the company markets itself as a leading engineering company that has diversified to become a distributor and trading house. It offers EDM wires, metal plates, flanges, tubes, valves, drilling equipment, among others (<http://aceweld.en.ec21.com>). The web information further states that the company has been supplying customers in Myanmar, Kuwait, India, Vietnam, Indonesia and Malaysia.

5. On April 22, 2008, the ECO, accompanied by a representative of Singapore Customs, visited the company and met with Ms. Jane Ang, Senior Manager, Ms. Nancy Ong, Executive Director and Mr. Willy Kwan, Chairman. Mr. Kwan provided an overview of the ACE's activities. He stated that the company was established in 1973 as an engineering and machine shop for the oil and gas sector. In the 1980s, the company diversified and became a trading/sourcing company. At the present time, the majority of its business is related to importing and exporting various spare parts for the oil and gas sector as well as for locomotive upgrades. Its customers are in Myanmar, Indonesia, Australia, Europe, India and Vietnam. It

is also active in the pharmaceutical, paper and textiles sectors. The Singapore office represents primarily the back room operations of the company while sales are done overseas (ECO Note: the meeting took place in a warehouse building under renovation in which there are roughly 20 desks staffed with ACE employees).

¶16. Mr. Kwan also described the ACE's joint venture with U.K. Company Romic Group ([www.romic.co.uk](http://www.romic.co.uk)). The back of Mr. Kwan's business card lists the joint venture as Romic-Ace International Pte. Ltd. Romic is involved in the refurbishment of railway locomotives on behalf of the Iranian national railway company. A Mr. Hugo from Canada oversees the supervision of the overhaul work while a Mr. Robert Coleman of Romic signs the applicable agreements with Iran on behalf of Romic-Ace International Pte. Ltd. In addition, Romic-Ace also supplies certain oil and gas parts to Iran although Mr. Kwan stated that the company does not receive many of these types of requests.

¶17. ACE representatives provided information concerning the three shipments that are the subject of the PSVs. As to the first shipment (exported on or about September 6, 2007), Mr. Kwan stated that these items (oil and gas equipment) has been shipped to Polyacryl Iran Corp. in Holland (apparent web site at:<http://www.iran-export.com/exporter/company/polyacril/index.htm>). ECO reviewed the Purchase Order (JIRAI-20081) and notes that it was signed by a Mr. Saghafian in Holland. The items were shipped to Holland on September 27, 2008. Mr. Kwan stated that an order for the items had been placed with the U.S. exporter's office in Singapore (Maxon). Maxon is an occasional supplier and, according to Mr. Kwan, it did not know the final destination of the items when it supplied them to ACE.

¶18. As to the second shipment (from U.S. Exporter World Bridge), ACE representatives stated that these items were railway parts destined

to Iran as part of a Romic-Ace service contract with Iranian railways. By subsequent e-mail, the company provided a Bill of Lading indicating shipment to consignee Bank Melli Iran, Hessabhaye Dowlati Branch, Tehran. The notify address is listed as Iranian Islamic Republic Railways, No 436, 4th Floor, Shahid, Kalantary Bldg. Railway SQ.

¶19. As to the third shipment (from U.S. Exporter Dalton Electric Heating Co., Inc.), ACE representatives stated that the buyer was Kath Associates (PVT) Ltd., 76-E Hill View Plaza, Blue Area, Islamabad, Pakistan. ACE was unaware of the end-use of the items that were shipped on September 14, 2007. ECO notes that the value of the shipment is listed as FOB Singapore USD 60,000 while the company apparently paid the supplier USD 11,489 for the items.

¶110. Mr. Kwan also provided the ECO with a letter from Singapore Customs dated July 12, 2007. That letter makes reference to a meeting between ACE and Singapore Customs and proforma invoice Q7API-10229 dated April 12, 2007). That letter states that the aluminium rods referenced in the proforma invoice may be controlled for export from Singapore and that an export license is likely required to export these rods. Mr. Kwan stated that the company had cancelled this order. ACE provided ECO with an Irrevocable Documentary Credit No.0394-40-18796 from the National Bank of Pakistan in reference of this shipment.

¶111. ECO talked with ACE representatives at length about U.S. export and reexport controls. Company representatives affirmed their commitment to comply with U.S. export/reexport control rules. ECO provided company representatives with extensive information about U.S. controls including links to the BIS web site's information on lists to check, the Commerce Control List, Know Your Customer Guidance, Export Management Systems as well as information about OFAC sanctions programs involving Myanmar and Iran.

¶112. At the time visited, ACE did not appear to be a suitable recipient of U.S. origin controlled items since it is likely that such items will be diverted to Iran or other potential buyers of concern.